

Message Text

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ACTION EUR-25

INFO OCT-01 EA-11 NEA-10 IO-14 ISO-00 EURE-00 AID-20

CIAE-00 COME-00 EB-11 FRB-02 INR-10 NSAE-00 RSC-01

TRSE-00 XMB-07 OPIC-12 SPC-03 CIEP-02 LAB-06 SIL-01

OMB-01 NSC-10 SS-20 STR-08 CEA-02 DRC-01 AGR-20

DODE-00 H-03 INT-08 L-03 PA-04 TAR-02 USIA-15 PRS-01

AF-10 ARA-16 /260 W

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P R 091520Z NOV 73 ZFF-4

FM USMISSION OECD PARIS

TO SECSTATE WASHDC PRIORITY 1064

INFO AMEMBASSY ANKARA

AMEMBASSY ATHENS

AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY CANBERRA

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LISBON

AMEMBASSY LONDON

USMISSION EC BRUSSELS

USMISSION NATO

AMEMBASSY LUXEMBOURG

AMEMBASSY MADRID

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY PARIS UNN

AMEMBASSY REYKJAVIK

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY TOKYO

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AMEMBASSY VIENNA

AMEMBASSY WELLINGTON
USMISSION GENEVA

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ECOTO 8

1. THE FOLLOWING IS TEXT OF UNDER SECRETARY CASEY'S
STATEMENT ON DEVELOPMENT COOPERATION AT THE XCSS NOVEMBER 9.
BEGIN TEXT.

MR. CASEY'S STATEMENT ON THE
FUTURE WORK ON INTERRELATED ISSUES CONCERNING
DEVELOPMENT COOPERATION

THE USG WELCOMES THE INITIATIVE OF THE SECRETARY GENERAL
IN SUGGESTING SUBJECTS FOR EXCHANGE OF VIEWS AMONG MEMBER
GOVERNMENTS RELATING TO AN INTEGRATED APPROACH TO ECONOMIC
ISSUES AFFECTING THE DEVELOPING COUNTRIES. WE FEEL THAT
ISSUES POSED AND WORK UNDERTAKEN BY THIS COMMITTEE CAN PLAY
A USEFUL ROLE IN FOCUSING THE ATTENTION OF GOVERNMENTS ON THE
INTERRELATIONSHIPS BETWEEN THE ECONOMIC POLICIES IN DIFFERENT
SPHERES WHICH AFFECT THE DEVELOPING COUNTRIES. THE USG SEES
IMPORTANT BENEFITS TO SUCH AN INTEGRATED APPROACH, AND STUDIES
CURRENTLY UNDER WAY WITHIN OUR GOVERNMENT ARE AIMED AT A MORE
COMPREHENSIVE AND INTERNALLY CONSISTENT SET OF POLICIES TOWARD
THE DEVELOPING COUNTRIES. MY GOVERNMENT BELIEVES THAT TO BE
FULLY EFFECTIVE A DEVELOPMENT POLICY MUST BE COMPREHENSIVE AND
UTILIZE TRADE, INVESTMENT, MONETARY, TECHNICAL ASSISTANCE AND
OTHER POLICIES AND INSTRUMENTS AS WELL AS FINANCIAL GRANTS AND
LOANS.

THE USG RECOGNIZES THE INTERDEPENDENCE OF INDUSTRIALIZED
AND LDC ECONOMIES AND THE IMPORTANT ROLE OF THE DEVELOPING
COUNTRIES IN THE PROCESS OF REFORM OF THE WORLD ECONOMIC AND
FINANCIAL ORDER CURRENTLY UNDER WAY. US POLICIES IN THE
TRADE, MONETARY, AND INVESTMENT FIELDS ARE BEING FORMULATED
IN CONSCIOUS RECOGNITION OF THE ASPIRATIONS AND OBJECTIVES
OF THE POORER COUNTRIES, AND THE NEED FOR A WORKING PARTNERSHIP
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WITH THESE COUNTRIES IN OVERCOMING COMMON PROBLEMS. INDEED,
WE VIEW DEVELOPMENT AS RATING WITH TRADE, MONEY AND INVESTMENT
AS ONE OF FOUR LEGS ON WHICH AN IMPROVED INTERNATIONAL ECONOMIC
SYSTEM MUST BE BUILT. WE SHOULD VIEW DEVELOPMENT AS AN ECONOMIC
FORCE BY ITSELF WHICH CAN BOTH SUPPORT AND BE SUPPORTED BY WHAT
WE DO ON MONEY, TRADE, INVESTMENT. THIS BROAD INTER-RELATIONSHIP
IS MORE IMPORTANT AND MORE APPROPRIATE FOR THE CONSIDERATION
OF THIS COMMITTEE THAN THE DEVELOPMENT ASPECT OF SPECIFIC ISSUES

WHICH COME UP IN THE GATT OR THE IMF.

WE CONSIDER MANY OF THE SUGGESTIONS IN THE SECRETARY GENERAL'S PAPER TO BE THOUGHTFUL AND WORTHY OF FURTHER STUDY. ANY WORK ON THESE TOPICS SHOULD BE SUPPORTIVE AND NOT DUPLICATE THE WORK OF THE C-20 OR THE GATT. WE WOULD LEAVE QUESTIONS OF NON-RECIPROCITY IN TRADE TO BE WORKED OUT BETWEEN LDC AND DCS IN GATT.

WITH RESPECT TO THE LINK (PARAGRAPH 13) WE CONTINUE TO BELIEVE (AS STATED BY SECRETARY SHULTZ IN NAIROBI) THAT THE QUESTION OF MONETARY CREATION, FOR EXAMPLE IN THE FORM OF SDRS, SHOULD BE KEPT SEPARATE FROM QUESTIONS OF RESOURCE TRANSFER AND REDISTRIBUTION. AN INFLATIONARY BIAS IN THE WORLD MONETARY SYSTEM CAN DAMAGE THE DEVELOPING COUNTRIES FAR MORE THAN THIS INDIRECT FORM OF TRANSFERRING RESOURCES IS LIKELY TO HELP THEM. AT THE SAME TIME THE SO-CALLED LINK CAN UNDERMINE THE WILL OF LEGISLATORS TO PROVIDE DIRECT ASSISTANCE AND THUS BE COUNTER-PRODUCTIVE TO THE INTERESTS OF DEVELOPING COUNTRIES. THE C-20 CURRENTLY HAS A TECHNICAL GROUP STUDYING.../...CASEY

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TO SECSTATE WASHDC PRIORITY 1065

INFO AMEMBASSY ANKARA

AMEMBASSY ATHENS

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THIS ISSUE AND THE OECD HAS AN OBSERVER IN THAT GROUP SO THAT
I WOULD THINK OUR WORKING ON THE SDR-LDC LINK WOULD BE DUPLICATION
AND CONFUSING.

THE US STRONGLY SUPPORTS THE VIEW THAT THE INTERESTS OF DEVELOPING COUNTRIES SHOULD BE ADEQUATELY CONSIDERED IN THE FORTHCOMING TRADE AND MONETARY NEGOTIATIONS. TO THE EXTENT POSSIBLE WE SHOULD SEEK AGREEMENTS PROMOTING THEIR TOTAL ECONOMIC DEVELOPMENT.

WE WOULD CONSIDER IT BOTH APPROPRIATE AND VALUABLE FOR THIS EXECUTIVE COMMITTEE TO CONSIDER HOW THE FULL RANGE OF OUR ECONOMIC POLICIES CAN BE MOST EFFECTIVELY APPLIED TO PROMOTE THE DEVELOPMENT OF LDCS. A CLEAR CONCEPTUALIZATION OF HOW THESE VARIOUS ISSUES CAN INTERRELATE TO FORM AN OVERALL STRATEGY FOR DEVELOPMENT WOULD BE VALUABLE TO ALL. HOWEVER, A USEFUL DISCUSSION BY MEMBERS OF THE COMMITTEE WILL NATURALLY REQUIRE A FOCUSED PRESENTATION BY THE SECRETARIAT OF THE INDIVIDUAL ISSUES IN A FORM FACILITATING POLICY DISCUSSIONS AIMED AT REACHING USEFUL CONCLUSIONS OR CONSENSUS.

TO BE CONCRETE, WE BELIEVE THAT THE XCSS COULD USEFULLY FOCUS ON HOW THE BROAD RANGE OF ECONOMIC POLICIES AND INSTRUMENTS AVAILABLE TO GOVERNMENTS CAN BE FOCUSED MORE EFFECTIVELY TO PROMOTE THE DEVELOPMENT OF POORER COUNTRIES. AS A BASIS FOR THIS,

I WOULD SUGGEST THAT THE SECRETARY GENERAL PREPARE A NOTE ELABORATING ON THE SUBJECT SUGGESTED IN PARAGRAPH 11 OF THE SECRETARY GENERAL'S NOTE (CE(73)15). THE SUBJECT OF THAT PARAGRAPH IS INTERRELATIONSHIPS BETWEEN MONETARY COOPERATION AND TRADE AND AID POLICIES. I WOULD SUGGEST THAT THAT SUBJECT BE BROADENED TO EMBRACE PARAGRAPH 10 WHICH DEALS WITH QUESTIONS RELATING TO INTERNATIONAL INVESTMENT IN DEVELOPING COUNTRIES AND THAT PORTION OF PARAGRAPH 8 WHICH DEALS WITH METHODS OF EXPANDING THE AVAILABILITY OF BASIC COMMODITIES. THE NEW NOTE OF THE SECRETARY GENERAL'S SHOULD FOCUS ON POLICIES RATHER THAN ON THE TYPE OF RULES AND EXCEPTIONS INDICATED IN THE LAST SENTENCE OF PARAGRAPH 11.

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WITH THIS SPADE WORK AND FOCUSING OF THE ISSUES, WE WOULD THINK THAT THE XCSS COULD USEFULLY EXCHANGE VIEWS ON THE FORMULATION AND EXECUTION OF MORE COMPREHENSIVE DEVELOPMENT POLICIES AT ONE OF ITS FUTURE MEETINGS.

END TEXT.CASEY

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